

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 00-0395P

Use Tax

Calendar Years 1993, 1994, 1995, and 1996

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer protests the penalty assessed on an audit completed on May 30, 2000.

Taxpayer has several business locations in Indiana. Taxpayer failed to self-assess use tax on clearly taxable purchases.

1. **Tax Administration** – Penalty

DISCUSSION

Taxpayer's audit report revealed that it failed to self assess use tax for clearly taxable purchases.

Taxpayer requests a waiver of penalties and states that the additional tax due is the result of differences in interpretation of the Indiana Tax Statutes and not the result of any willful disregard of the Indiana Sales and Use Tax laws. Taxpayer also cites its past and current good faith efforts to use care and prudence in order to comply with Indiana's tax laws.

Taxpayer failed to self assess use tax on clearly taxable purchases in all years of the audit. A review of

taxpayer's prior audit completed on September 12, 1994 indicates there were similar adjustments. For the four-year audit period, the taxpayer failed to self assess use tax on more than fifty percent (50%) of the use tax due.

The taxpayer was negligent in failing to self-assess and remit use tax on clearly taxable purchases and has not shown reasonable cause for failing to do so.

FINDING

Taxpayer's protest is denied.